

PROPERTY ASSESSMENT APPEAL BOARD
FINDINGS OF FACT, CONCLUSIONS OF LAW, AND ORDER

PAAB Docket No. 2019-025-00271R

Parcel No. 1223130001

Darin Tebbe,

Appellant,

vs.

Dallas County Board of Review,

Appellee.

Introduction

The appeal came on for written consideration before the Property Assessment Appeal Board (PAAB) on November 8, 2019. Darin Tebbe is self-represented and asked that the appeal proceed without a hearing. County Assessor Steve Helm represents the Dallas County Board of Review.

Darin and Jaci Tebbe own a residential property located at 4375 NW 164th Street in Clive, Iowa. Its January 1, 2019 assessment was set at \$600,280, allocated as \$92,500 in land value and \$507,780 in dwelling value. (Ex. A).

Tebbe petitioned the Board of Review contending his assessment is not equitable as compared with assessments of other like property. Iowa Code § 441.37(1)(a)(1) (2019). The Board of Review denied the petition. (Ex. B).

Tebbe then appealed to PAAB re-asserting his claim.

General Principles of Assessment Law

PAAB has jurisdiction of this matter under Iowa Code sections 421.1A and 441.37A. PAAB is an agency and the provisions of the Administrative Procedure Act apply. § 17A.2(1). This appeal is a contested case. § 441.37A(1)(b). PAAB may consider any grounds under Iowa Code section 441.37(1)(a) properly raised by the

appellant following the provisions of section 441.37A(1)(b) and Iowa Admin. Code R. 701-126.2(2-4). New or additional evidence may be introduced. *Id.* PAAB considers the record as a whole and all of the evidence regardless of who introduced it.

§ 441.37A(3)(a); *see also Hy-Vee, Inc. v. Employment Appeal Bd.*, 710 N.W.2d 1, 3 (Iowa 2005). There is no presumption the assessed value is correct, but the taxpayer has the burden of proof. §§ 441.21(3); 441.37A(3)(a). The burden may be shifted; but even if it is not, the taxpayer may still prevail based on a preponderance of the evidence. *Id.*; *Compiano v. Bd. of Review of Polk Cnty.*, 771 N.W.2d 392, 396 (Iowa 2009) (citation omitted).

Findings of Fact

The subject property is a one-and-a-half-story home built in 2013. It has 3189 square feet of gross living area, 1000 square feet of living-quarter quality basement finish with a walkout, a patio, an open porch, and a three-car attached garage. The improvements are listed in normal condition with a 1-10 Grade (superior quality). (Ex. A). The subject property backs to a small public park. (Exs. D, F & 2).

At PAAB's request, the Board of Review filed the subject's 2018 property record card. (Ex. I, Order Requesting Additional Information). A comparison of the 2018 and 2019 property record card shows the Assessor added 1000 square feet of basement finish, a concrete patio, exterior stone veneer, two plumbing fixtures, and a fireplace to the property's listing in 2019. The subject's building value increased from \$383,590 to \$507,780 between 2018 and 2019. (Ex. A, I). Notes on Exhibit A indicate the amount of basement finish was estimated from a realtor listing. (Ex. A, E).

The Board of Review submitted an email exchange between County Assessor Steve Helm and Tebbe. (Ex. H). In the email exchange, it appears Tebbe is informing the Assessor's Office his property has 1450 square feet of basement finish compared to the 1000 square feet of finish reported on the property record card. Tebbe later refers to a conversation with Helm suggesting the assessed value of his basement is \$80,000. (Ex. 13). In a revised document, however, Tebbe stated he "broke out the basement assessed value (estimated to be approximately \$80,000)." (Ex. 14). There is no

evidence in the record indicating the subject has 1450 square feet of basement finish, or that the basement is assessed for \$80,000.

The subject is currently listed with Iowa Realty for \$625,000. (Ex. E). Helm reported that prior to being listed with an agent, the subject property was for sale by owner in December 2018 for \$634,900. Tebbe acknowledged his property is currently listed for \$625,000 with a realtor but explains that during the marketing time the feedback has been that the home is over-valued, the location on a busy street is unappealing, and the master bathroom and closet are too small. He also stated his realtor is suggesting a price reduction to “well below \$600,000.” (Ex. 17).

Tebbe reported his assessed value increased 26% from the prior assessment. (Exs. 8 & 14). Tebbe explained he researched comparable properties in his subdivision (Walnut Creek Hills) of similar size and style homes. (Exs. 11 & 14). He then selected six comparable properties from his search results that he believes support his assertion his property is inequitably assessed. (Exs. 4-7 & 9-10). The following is a summary of Tebbe’s comparable properties.

Comparable	Gross Living Area (SF)	Basement Finish (SF) ¹	2019 Assessed Value ²	Year Built
Subject	3189	1000/1450	\$600,280	2013
1 - 4215 NW 164th St	3365	1160/1224	\$561,860	2006
2 - 4239 NW 164th St	3124	1270/1330	\$528,140	2007
3 - 4267 NW 164th St	3172	960/1020	\$528,050	2006
4 - 4291 NW 164th St	2773	1030/1076	\$494,150	2010
5 - 4308 NW 164th St	2741	1150/1215	\$427,580	2006
6 - 4473 NW 164th St	2785	900/944	\$382,110	2006

None of these properties have recently sold. With the exception of Comparable 4, which was built in 2010, the remaining properties are six to seven years older than the subject property. We note that with the exception of Comparable 3, the other

¹ The first number in the column represents the amount of basement finish as reported on the property record cards or beacon summary sheets in the record. (Exs. A, 4-7, & 9-10). The second number in the column represents what Tebbe reported on his spreadsheets, which included the lineal feet of basement finish that represents each property has a walk-out feature for which it is assessed. (Exs. 15-16).

² The reported 2019 assessed values of each property was obtained from the beacon summary sheets submitted by Tebbe. (Exs. 4-7 & 9-10). Tebbe reported a different assessed value for each property that is not found in the evidence he submitted.

properties are two-story homes and all of the comparables have less main floor living area than the subject. Main floor living area tends to have greater cost than second-story living area. The differences may explain, in part, why they have a lower assessed value compared to the subject property. There is no evidence in the record of the comparable properties' grade (quality) or condition ratings. Differences in grade and condition would also affect assessed values and may also explain variations between Tebbe's property and his comparables.

Tebbe compared these properties to his property based on their assessed improvement values per square foot, as well as the percentage increase in their assessments from 2015 to 2019. (Exs. 15 & 16). First of all, we note differences in styles (one-and-a-half story versus two-story) and the additions to the subject's listing in 2019 would likely render both of these analyses entirely unreliable. Additionally, Tebbe's analysis utilizes a different amount of basement finish for the subject than was included in the subject's 2019 assessment and relies on an unsubstantiated value for the subject's basement. Tebbe's analysis also gives no consideration to differences in age, amenities and quality of construction between the subject and comparables. Importantly, although we will describe Tebbe's analysis below, ultimately neither approach is consistent with the valuation methodology in Iowa Code section 441.21.

Tebbe's first analysis compared his property's assessment to the comparable properties by breaking out the estimated assessed value of the basement and the "rest of the house." (Ex. 15). We note the latter estimate would include the garage space as well as any other features, such as decks and patios. Based on his calculations, he believes his property should be assessed between \$520,000 and \$530,000. (Ex. 14).

In his second analysis, Tebbe compared the year-over-year percentage change from 2015 to 2019. (Ex. 16). Again, what he reports on his spreadsheet for the assessed values for each comparable property for the years 2015-2019 are not reflective of the assessed values reported on the beacon summary sheets.

The Board of Review submitted the Assessor's Office 2018 sales ratio analysis of the subject's area. (Ex. F). The ratio analysis indicates a median of roughly 0.97. A ratio

of less than 1.00 suggests properties in the subject's area are generally assessed for less than their market value.

The Board of Review also submitted a map of the subject's immediate area with grades of properties. (Ex. G). Properties that back to the park, like the subject property, have grades ranging from 2+10 to 1+05; the subject's grade of 1-10 is in the middle of this range.

Analysis & Conclusions of Law

Tebbe contends the subject property is inequitably assessed as provided under Iowa Code section 441.37(1)(a)(1). Tebbe bears the burden of proof. § 441.21(3).

To prove inequity, a taxpayer may show an assessor did not apply an assessing method uniformly to similarly situated or comparable properties. *Eagle Food Centers v. Bd. of Review of the City of Davenport*, 497 N.W.2d 860, 865 (Iowa 1993). Here, we find Tebbe did not demonstrate the Assessor applied an assessing method in a non-uniform manner.

Alternatively, a taxpayer may show the property is assessed higher proportionately than other like properties using criteria set forth in *Maxwell v. Shivers*, 133 N.W.2d 709, 711 (Iowa 1965). The *Maxwell* test provides inequity exists when, after considering the actual (2018) and assessed (2019) values of similar properties, the subject property is assessed at a higher proportion of its actual value. *Id.* This is commonly done through an assessment/sales ratio analysis comparing prior year sales and current year assessments of the subject property and comparable properties. It is insufficient to simply compare the subject property's assessed value to the assessments of other properties or to compare the rate of change in assessment amongst properties.

Tebbe submitted six comparable properties but none of them have recently sold and a *Maxwell* ratio analysis could not be developed. While facially Tebbe's selected comparables may have some similarities to his property, for the reasons previously discussed his analysis is ultimately unreliable. Most importantly, Tebbe failed to fulfill the evidentiary requirements of the *Maxwell* test.

The Board of Review submitted its sales ratio analysis of 2018 sales with ratios demonstrating that properties in the subject's immediate area are generally assessed for slightly less than their actual market values.

Ultimately, the *Maxwell* analysis cannot be completed because an assessment/sale price ratio also needs to be developed for the subject property. The subject property did not recently sell, nor did Tebbe offer evidence of its January 1, 2019 market value that is consistent with section 441.21.³ A ratio for similar properties as well as the subject property is required in order to determine if the subject property is assessed at a higher proportion of its actual value than other similarly situated properties.

Viewing the record as a whole, we find Tebbe failed to prove the subject property's assessed value is inequitable as compared with the assessments of other like properties.

Order

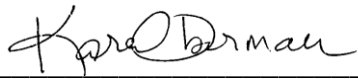
PAAB HEREBY AFFIRMS the Dallas County Board of Review's action.

This Order shall be considered final agency action for the purposes of Iowa Code Chapter 17A (2019).


Any application for reconsideration or rehearing shall be filed with PAAB within 20 days of the date of this Order and comply with the requirements of PAAB administrative rules. Such application will stay the period for filing a judicial review action.

Any judicial action challenging this Order shall be filed in the district court where the property is located within 30 days of the date of this Order and comply with the requirements of Iowa Code section 441.37B and Chapter 17A (2019).

³ Iowa Code section 441.21 requires that a property's assessed value be determined, first and foremost, by sales of the subject property or comparable properties.



Karen Oberman, Board Member



Elizabeth Goodman, Board Member



Dennis Loll, Board Member

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